

*Administration of Barack H. Obama, 2009*

## **Remarks on Fuel Efficiency Standards**

*May 19, 2009*

Thank you very much. Thank you. Please, everybody have a seat. What an extraordinary day. The sun is out because good things are happening. Before I get started, just some preliminary introductions, I'll probably repeat them in my formal remarks, but I want to make sure that I acknowledge some people who have been critical to this effort and critical to so many efforts at the State and Federal levels.

First of all, Speaker Nancy Pelosi, who has just been cracking the whip and, you know, making Congress so productive over these last several days; we are grateful for her. My wonderful Secretary of Transportation, Ray LaHood, is in the house; Lisa Jackson, the outstanding Administrator of EPA. Some of the finest Governors in the country are here. Let me take them in order of good looks—sorry, Arnold—[*laughter*]—Jennifer Granholm of Michigan, Governor Deval Patrick of Massachusetts, and Governor Arnold Schwarzenegger of California.

Barbara Boxer just had to leave—but the head of the Environment Committee in the Senate, who's done just outstanding work. And Senators Feinstein, Levin, and Stabenow couldn't be here because they're busy voting on credit card legislation that we're going to get done before Memorial Day. And we've got two outstanding Members of the House of Representatives: John Dingell—where's John?—right here—the dean of the House and—who's done so much extraordinary work around these issues and Sandy Levin. Please give them a round of applause.

I also want to mention Ron Gettelfinger of the UAW, our president, who's just been a great leader during some very trying times in the auto industry, and Carol Browner, who helped to make this all happen today. Please give Carol Browner a big round of applause.

Since I'm acknowledging everybody—I'm in a voluble mood today—[*laughter*]—let me go ahead and acknowledge my other members of the Cabinet who are here who are part of our energy green team and do just outstanding work on an ongoing basis: first of all, my Secretary of Labor, Hilda Solis; the guy who's just cleaning up the Department of Interior and doing an extraordinary job, Ken Salazar; our head of HUD, Shaun Donovan; and our Commerce Secretary, Gary Locke.

Now, thank you all for coming to the White House today and for coming together around what I consider to be a historic agreement to help America break its dependence on oil, reduce harmful pollution, and begin the transition to a clean energy economy.

This is an extraordinary gathering. Here we have today standing behind me, along with Ron Gettelfinger and leadership of the UAW, we have 10 of the world's largest auto manufacturers; we have environmental advocates as well as elected officials from all across the country.

And this gathering is all the more extraordinary for what these diverse groups, despite disparate interests and previous disagreements, have worked together to achieve. For the first time in history, we have set in motion a national policy aimed at both increasing gas mileage and decreasing greenhouse gas pollution for all new trucks and cars sold in the United States of America. And I want to applaud the leadership of the folks at the Environmental Protection

Agency, the Department of Transportation, and the White House Office of Energy and Climate Change, who've worked around the clock on this proposal which has now been embraced by so many.

Now, in the past, an agreement such as this would have been considered impossible. It's no secret that these are folks who've occasionally been at odds for years, even decades. [Laughter] In fact, some of the groups here have been embroiled in lawsuits against one another. So that gives you a sense of how impressive and significant it is that these leaders from across the country are willing to set aside the past for the sake of the future.

For what everyone here believes, even as views differ on many important issues, is that the status quo is no longer acceptable. While the United States makes up less than 5 percent of the world's population, we create roughly a quarter of the world's demand for oil. And this appetite comes at a tremendous price, a price measured by our vulnerability to volatile oil markets, which send gas prices soaring and families scrambling. It's measured by a trade deficit where as much as 20 percent of what we spend on imports is spent on oil. It's measured in billions of dollars sent to oil-exporting nations, many that we do not choose to support, if we had a choice. It's measured in a changing climate, as sea levels rise and droughts spread, forests burn and storms rage.

And what is all the more tragic is that we've known about these costs in one way or another since the gas shortages of the 1970s. And yet all too little has been done. Calls for action rise and fall with the price of a barrel of oil. Worn arguments are traded across entrenched divides, urgency fades, complacency grows, and time passes.

As a result, we have done little to increase the fuel efficiency of America's cars and trucks for decades. Think about this. Consider how much has changed all around us. Think of how much faster our computers have become. Think about how much more productive our workers are. Think about how everything has been transformed by our capacity to see the world as it is, but also to imagine a world as it could be.

And that's what's been missing in this debate for too long, and that's why this announcement is so important, for it represents not only a change in policy in Washington, but the harbinger of a change in the ways business is done in Washington. No longer will we accept the notion that our politics are too small, our Nation too divided, our people too weary of broken promises and lost opportunities to take up a historic calling. No longer will we accept anything less than a common effort made in good faith to solve our toughest problems. And this is what this agreement seeks to achieve.

Right now the rules governing fuel economy in this country are inadequate, uncertain, and in flux. First, there is the standard for fuel economy administered by the Department of Transportation. On top of that, the Environmental Protection Agency, in response to a decision by the Supreme Court, may have to set limits on greenhouse gas emissions from vehicles, establishing another standard. California has sought permission under the Clean Air Act to require that vehicles sold in California meet yet another, even stricter emission rule. And 13 States and the District of Columbia have agreed to adopt California greenhouse gas reductions if the permission, called a waiver, is granted.

Now, car companies might then face three different sets of overlapping requirements, one administered by the Department of Transportation, one administered by the EPA, and still a third administered by California and 13 other States. This proposed national policy, under the leadership of two agencies and bringing together 14 States, 10 companies, as well as auto

workers and environmental groups, changes all that. The goal is to set one national standard that will rapidly increase fuel efficiency, without compromising safety, by an average of 5 percent each year between 2012 and 2016, building on the 2011 standard my administration set shortly after taking office.

A series of major lawsuits will be dropped in support of this new national standard. The State of California has also agreed to support this standard, and I want to applaud California and Governor Schwarzenegger and the entire California delegation for their extraordinary leadership. They have led the way on this, as they have in so many other efforts to protect the environment. In addition, because the Department of Transportation and EPA will adopt the same rule, we will avoid an inefficient and ineffective system of regulations that separately govern the fuel economy of autos and the carbon emissions they produce.

And at a time of historic crisis in our auto industry, when domestic auto manufacturers are making painful choices and restructuring their businesses to be viable in the future, this rule provides the clear certainty that will allow these companies to plan for a future in which they are building the cars of the 21st century.

Yes, it costs money to develop these vehicles, but even as the price to build these cars and trucks goes up, the cost of driving these vehicles will go down as drivers save money at the pump. And this is a point I want to emphasize: If you buy a car, your investment in a more fuel-efficient vehicle, as a result of this standard, will pay off in just 3 years. In 3 years time, you will have paid off the additional investment required. So this is a winning proposition for folks looking to buy a car. In fact, over the life of a vehicle, the trip—typical driver would save about \$2,800 by getting better gas mileage.

And the fact is, everyone wins. Consumers pay less for fuel, which means less money going overseas and more money to save or spend here at home. The economy as a whole runs more efficiently by using less oil and producing less pollution. And companies like those here today have new incentives to create the technologies and the jobs that will provide smarter ways to power our vehicles.

And that's why, in the next 5 years, we're seeking to raise fuel-economy standards to an industry average of 35.5 miles per gallon in 2016, an increase of more than 8 miles per gallon per vehicle. That's an unprecedented change, exceeding the demands of Congress and meeting the most stringent requirements sought by many of the environmental advocates represented here today.

As a result, we will save 1.8 billion barrels of oil over the lifetime of the vehicles sold in the next 5 years. Just to give you a sense of magnitude, that's more oil than we imported last year from Saudi Arabia, Venezuela, Libya, and Nigeria combined. Here's another way of looking at it: This is the projected equivalent of taking 58 million cars off the road for an entire year.

I also want to note that the agreement we have announced today is part of a far larger effort. In fact, on the other end of Pennsylvania Avenue, Henry Waxman is chairing a meeting of the Energy and Commerce Committee, which is working on an equally historic energy bill that will not only help our dependence on foreign oil, prevent the worst consequences of climate change, and build a clean energy economy but will provide more than \$15 billion to help build the cars and trucks of the future right here in America.

And the recovery plan we've put in place, as well as the budget that builds on it, makes historic investments in a clean energy economy, doubling our capacity to generate renewable energy like wind and solar, investing in new battery technologies for plug-in hybrids, and

building a smarter, stronger grid on which the homes, businesses, and vehicles of the future will run.

Now, too often lost in the back-and-forth of Washington politics, absent in arguments where the facts opponents use depend on the conclusions they've already reached, absent all that is this: Ending our dependence on oil, indeed, ending our dependence on fossil fuels represents perhaps the most difficult challenge we have ever faced, not as a party, not as a set of separate interests, but as a people.

We have, over the course of decades, slowly built an economy that runs on oil. It has given us much of what we have, for good, but also for ill. It has transformed the way we live and work, but it's also wreaked havoc on our climate. It has helped create gains in prosperity unprecedented in history, but it also places our future in jeopardy.

Ending this dependence will take time. It will take an incredible effort. It will take a historic investment in innovation. But more than anything, it will take a willingness to look past our differences, to act in good faith, to refuse to continue the failures of the past, and to take on this challenge together, for the benefit not just of this generation, but generations to come.

All the people who have gathered here today, all the auto executives, all our outstanding elected officials and appointees, Ron Gettelfinger, Members of Congress, Governors, all these folks here today have demonstrated that this kind of common effort is possible. They've created the template for more progress in the months and years to come. Everything is possible when we're working together, and we're off to a great start.

So thank you everybody. Appreciate it.

*[At this point, the President greeted participants of the event on stage. He then returned to the podium and continued as follows.]*

By the way, I just want to mention, I think I still have my Ford parked in Chicago. *[Laughter]* It's a Ford hybrid—runs great. You guys should take a look. *[Laughter]* But there are also some outstanding hybrids and energy-independent cars represented up here, so I didn't want to just advertise for one. *[Laughter]*

NOTE: The President spoke at 12:22 p.m. in the Rose Garden at the White House. In his remarks, he referred to Ron Gettelfinger, president, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW); and Assistant to the President for Energy and Climate Change Carol M. Browner.

*Categories:* Addresses and Remarks : Fuel efficiency standards.

*Locations:* Washington, DC.

*Names:* Boxer, Barbara; Browner, Carol M.; Dingell, John D.; Donovan, Shaun L.S.; Feinstein, Dianne; Gettelfinger, Ron; Granholm, Jennifer M.; Jackson, Lisa P.; LaHood, Raymond H.; Levin, Carl; Locke, Gary F.; Patrick, Deval; Pelosi, Nancy; Salazar, Kenneth L.; Schwarzenegger, Arnold; Solis, Hilda L.; Stabenow, Debbie; Waxman, Henry A.

*Subjects:* Budget, Federal : Fiscal year 2010 budget; Business and industry : Automobile industry :: Decline; California : Clean Air Act, waiver request; California : Governor; Commerce, Department of : Secretary; Congress : House of Representatives :: Speaker; Economy, national : American Recovery and Reinvestment Act of 2009; Energy : Alternative and renewable sources and technologies; Energy : Federal Government cooperation with

States on emissions reduction; Energy : Foreign sources; Energy : Fuel efficiency standards, strengthening efforts; Energy : Gasoline, oil, and natural gas costs; Energy : Greenhouse gas emissions, regulation; Energy : Infrastructure and grid improvements; Environment : Carbon pollution; Environment : Clean Air Act :: Waiver request; Environment : Climate change; Environmental Protection Agency : Administrator; Environmental Protection Agency : Greenhouse gas emissions, proposed regulations; Housing and Urban Development, Department of : Secretary; Labor, Department of : Secretary ; Massachusetts : Governor; Michigan : Governor; Transportation, Department of : Secretary ; White House Office : Energy and Climate Change, White House Office of.

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